

CAMERON PARISH GRAVITY  
DRAINAGE DISTRICT NO. 9

FINANCIAL STATEMENTS

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/24/11

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

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## **BASIC FINANCIAL STATEMENTS**

**ELLIOTT AND ASSOCIATES**

P.O. Box 1287  
Leesville, La. 71496

(337) 239-2535  
(337) 238-5135  
Fax 239-2295

W. Micheal Elliott, CPA

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners  
Cameron Parish Gravity District No. 9

I have compiled the accompanying financial statements of the governmental activities of Cameron Parish Gravity District No.9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2010, which comprise the District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of Cameron Parish Gravity District No. 9 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standard for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Cameron Parish Gravity District No. 9 in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During my compilation, I did become aware of two departures from with accounting principles generally accepted in the United States of America that is described in the following paragraph.

Management has not adopted the requirements of GASB 45 as of December 31, 2010. The amount by which this departure would affect the liabilities and expenditures of the governmental activities is not reasonably determinable.

Management has not presented the required budgetary comparison supplementary information and management's discussion and analysis information that the Government Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
May 24, 2011

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## STATEMENT OF NET ASSETS

December 31, 2010

	<u>ASSETS</u>		
	General	Adjustment	Governmental
	Fund	Reclassification	Activities
		Note 1	
<b>ASSETS</b>			
Cash and cash equivalents (Note 2)	\$ 433,595	\$ ---	\$ 433,595
Receivables	99,909	---	99,909
Capital assets, net of accumulated depreciation (Note 3)	---	328	328
<b>TOTAL ASSETS</b>	<u>\$ 533,504</u>	<u>\$ 328</u>	<u>\$ 533,832</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 2,491	\$ ---	\$ 2,491
Ad valorem deductions payable	3,359	---	3,359
<b>TOTAL LIABILITIES</b>	<u>\$ 5,850</u>	<u>\$ ---</u>	<u>\$ 5,850</u>
 <b>FUND BALANCE/NET ASSETS</b>			
Fund Balance-Unreserved-undesignated	<u>\$ 527,654</u>	<u>\$ 527,654</u>	<u>\$ ---</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 533,504</u>	<u>\$ 527,982</u>	<u>\$ ---</u>
 <b>NET ASSETS</b>			
Invested in capital assets		\$ 328	328
Unrestricted		527,654	527,654
<b>TOTAL NET ASSETS</b>		<u>\$ 527,982</u>	<u>\$ 527,982</u>

See accompanying notes and accountant's compilation report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
For the Year ended December 31, 2010

	<u>General Fund</u>	<u>Adjustments Note 1</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES</b>			
Salaries	(3,300)	---	\$ (3,300)
Drainage costs	(95,393)	---	(95,393)
Per diem	(3,060)	---	(3,060)
Professional fees	(3,769)	---	(3,769)
Bank fees	(106)	---	(106)
Miscellaneous	(1,199)	---	(1,199)
Deductions from ad valorem tax	(3,358)	---	(3,358)
Insurance	(2,780)	---	(2,780)
Depreciation	---	(325)	(325)
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ (112,965)</u>	<u>\$ (325)</u>	<u>\$ (113,290)</u>
<b>GENERAL REVENUE</b>			
Ad valorem taxes (Note 3)	\$ 104,083	---	\$104,083
Other income	127	---	127
Interest income	663	---	663
<b>TOTAL GENERAL REVENUES</b>	<u>\$ 104,873</u>	<u>\$ ---</u>	<u>\$104,873</u>
<b>Excess of revenue over expenses</b>	<u>\$ (8,092)</u>	<u>\$ (325)</u>	<u>\$ (8,417)</u>
<b>FUND BALANCE/NET ASSETS</b>			
Balance-beginning of year	<u>\$ 535,746</u>	<u>\$ ---</u>	<u>\$536,399</u>
Balance-end of year	<u>\$ 527,654</u>	<u>\$ ---</u>	<u>\$527,982</u>

See accompanying notes and accountant's compilation report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

For the year ended December 31, 2010  
Notes to the Financial Statements

ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Cameron Drainage District No 9 is a political subdivision and component unit of the Cameron Parish Police Jury. The District is governed by a board of commissioners, composed of five members, who serve without compensation and are appointed for terms of four years by the Cameron Parish Police Jury.

The financial statements of the Cameron Parish Drainage District No 9 have been prepared in conformity with accounting principles generally accepted in the United States of American (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

GASB Statement No. 14, The Reporting Entity, as amended, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit, since it is a subdivision of the Cameron Parish Police Jury "Jury" that reports to the Jury. As used in GASB Statement No 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. The District only does certain of the above functions and its board members are also appointed by the Jury, Thus the District is classified as a component unit.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

Notes to the Financial Statements

Basis of Presentation

As stated above, effective January 1, 2002, the District adopted the provisions of Statement No. 34 and Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- \* Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- \* Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.
- \* Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Fund Accounting

The accounts of the CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9 are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.



CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

Notes to the Financial Statements

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds follow GAAP prescribed by the Government Accounting Standards Board and Financial Accounting Standards Boards' Standards issue prior to November 30, 1989. Enterprise funds are accounted for in a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operating of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

There are no principal operating revenues. Operating expense include costs of providing drainage expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

All purchased capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation of all exhaustible capital assets is charged against operations. Depreciation is computed over the estimated useful lives of 5 years using the straight-line method.

Compensated Absences

Vested or accumulated vacation and sick leave are recorded on the Cameron Parish Police Jury records as the benefits accrued to employees. No liability is recorded for compensated absences that relate to future service or that are contingent on a specific event that is outside the control of the employer and employees.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

Notes to the Financial Statements

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**2. CASH AND INVESTMENT COLLATERAL**

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 2010, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	<u>\$433,595</u>	<u>\$ ---</u>	<u>\$433,595</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) was \$433,595, and the bank balances was \$433,835. A summary of collateralization of bank balances is presented below.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

December 31, 2010

## Notes to the Financial Statements

Insured (Federal deposit insurance)	\$400,000
Uncollateralized (In accordance with GAAP-see below)	<u>33,835</u>

\$433,835

At December 31, 2010, the District's total bank balances were fully insured and, therefore, not exposed to custodial credit risk.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of these pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$33,835 held in the name of the fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

Receivables at December 31, 2010 consist of the following:

Ad valorem taxes-unrestricted	\$ <u>99,909</u>
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Net total receivables	\$ <u>99,909</u>
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The amount included in the ad valorem receivable on the balance sheet is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

Notes to the Financial Statements

For the year ended December 31, 2010, taxes of 4.26 mills were levied on property with assessed valuation totaling \$24,432,106 and are dedicated to the operations of the drainage district.

The total amount levied was \$104,083. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$104,083.

**4. CHANGES IN CAPITAL ASSETS**

	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/10</u>
Equipment	\$ 6,441	\$ ---	\$ ---	\$ 6,441
Accumulated depreciation	<u>(5,787)</u>	<u>(325)</u>	<u>---</u>	<u>(6,113)</u>
Net capital assets	\$ <u>653</u>	\$ <u>(325)</u>	\$ <u>---</u>	\$ <u>328</u>

Depreciation expense included in the financial statements for the year ended December 31, 2010 was \$325.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Equipment	5 years
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**5. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
December 31, 2010

Notes to the Financial Statements (Continued)

LIMITS  
OF  
COVERAGE

Workmen's compensation	None
Auto liability	None
Commercial general liability	None

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

## SUPPLEMENTARY INFORMATION

**CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
FOR THE YEAR ENDED December 31, 2010**

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution NO. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the board members received \$60 per diem for attendance at meetings of the board.

	<u>Number Attended</u>	<u>Amount</u>
Will Aucoin	13	780
Paul Constance	4	240
Jared Desormeaux	11	660
Wesley Hardin	12	720
Grant Gremillion	<u>11</u>	<u>660</u>
Total	<u>51</u>	<u>\$3,060</u>

See accountant's compilation report.